

## SUMMARY: GOVERNOR PATRICK'S REMARKS TO THE MASSACHUSETTS MUNICIPAL ASSOCIATION

- **UNPRECEDENTED ECONOMIC CHALLENGES** – The national and global recession has led to a steep and rapid decline in state tax revenues. Unfortunately, cuts to local aid for municipalities are unavoidable. Governor Patrick has put forward a comprehensive plan to help communities offset the impacts of these difficult cuts, while managing and preparing for economic recovery.
- **PROTECTING EDUCATION FUNDING** – Governor Patrick remains committed to his vision for a world-class public education system that prepares students for success in a 21<sup>st</sup> century global economy. Despite unprecedented economic challenges, Governor Patrick will hold Chapter 70 education funding harmless in FY 2009, and maintain level funding at \$3.94 billion – a record high – in 2010.
- **EMERGENCY RECOVERY PLAN** – The Governor will lay out an Emergency Recovery Plan next week that will include provisions to help offset unavoidable cuts to local aid. He will file a bill to increase the statewide meals and hotel tax by 1 cent to generate \$150 million for local aid. The legislation would also allow communities to boost their budgets by levying an additional 1 cent local options meals and hotel tax. If the statewide meals and hotel tax is implemented, the plan will reduce the net cut to local aid from \$375 million to \$220 million, or 4.2% below 2009.
- **PARTNERING WITH CITIES & TOWNS** – Governor Patrick will continue to build on the Administration's strong relationship with municipalities, acknowledging cities and towns provide essential services to Massachusetts families and businesses. He will re-file parts of the Municipal Partnership Act – a series of cost-savings reforms including making it easier for communities to enroll in the state's affordable health care plan, encouraging regionalization of municipal services and other reforms around procurement and advertising to save time and money.

### PROTECTING EDUCATION FUNDING & OFFSETTING LOCAL AID CUTS

PROGRAM	FY 2009 GAA	FY 2009 9C REDUCTIONS	FY 2010 REDUCTIONS	FY 2010 REDUCTION WITH STATEWIDE MEAL/HOTEL TAX	FY 2010 REDUCTION WITH STATEWIDE AND LOCAL OPTION MEAL/HOTEL TAX
Chapter 70	\$3.94 B	None	Level Funded	N/A	N/A
Lottery/Additional Assistance	\$1.31 B	-\$128M	-\$375M	-\$220M	-\$20M

